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SUBJECT: BRUNEI'S EXPANDING ANTI-CORRUPTION PROGRAMS

SUMMARY

1. (SBU) Brunei has seen a relative increase in corruption case brought to trial as well as said trials receiving extensive media coverage. Most cases involve Government of Brunei (GoB) employees charged under the Prevention of Corruption Act. The GoB employees range from a career diplomat receiving bribes in return for issuing work visas to customs officials charged with assisting a fuel smuggling racket. In addition, there is the ongoing high-profile corruption trial involving a former Minister of Development with alleged ties to Brunei's royal family. The result is the public is beginning to trust Brunei's Anti-Corruption Bureau (ACB) and increasing reports of possible corruption to the ACB. The ACB has increased anti-graft public education, focusing on the schools. However, the ACB only now has started to shift its focus on investigating corruption in the private sector and could still work to increase public transparency for public servant activities and finances. The slow timeframe of trials can hinder the anti-corruption efforts. End Summary.

ONGOING CORRUPTION CASES

2. (SBU) Six out of the twenty-four Brunei Custom officials suspended from duty in early 2009 for their alleged part in a fuel smuggling racket, were recently charged with accepting bribes between BND41 to BND 2, 600 to assist a fuel smuggling racket. Each defendant faces a charge of 'neglect' for every charge of graft made against them. Defendants are out on bail and the trial is adjourned until mid January, 2010. Another Government of Brunei (GoB) case involved a career diplomat, Haji Yakib Hj Jumat, arrested by ACB on December 2006. He was brought to trial in September 2009. He was charged with twenty counts of corruption involving approximately BND 55,000 which he allegedly obtained from various Indonesian labor agents in return for issuing hundreds of work visas while he was Third Secretary the Brunei Embassy's Consular section in Jakarta in 2006. He is currently on a B\$10,000 bail. Trial has been adjourned until January 11, 2010. The defendants in both cases were charged under the Section 6 (a) of the Prevention of Corruption Act (Chapter 131) and Section 165 of the Penal Code (Chapter 22) where the former incurs a fine of BND\$30,000 and imprisonment of seven years and the latter carries a jail term of up to seven years and a fine, determined by the court, per offense.

CONVICTED

3. (U)A recent corruption case was successful prosecuted against a Chief Technical Assistant at the Public Works Department, Pg Hj Tengah bin Pg Hj Tajuddin was found guilty for accepting offer of a bribe of BND2000. In an ironic twist, he was only paid BND200 on April 2005 as an inducement to expedite an inspection on structural works on a government project. His seven year sentence started on December 3, 2009.

HIGH-PROFILE CASE AGAINST A FORMER GoB MINISTER

14. (SBU) Brunei's media and public continue to follow the ongoing corruption case involving ex-Minister of Development, Pengiran Dr. Ismail, and prominent Brunei businessman Wong Tim Kai. Both defendants face eleven charges; three charges under the Prevention of Corruption Act and eight charges under the Penal Code. Pg Dr Ismail is being charged with accepting graft in the form of a house, land, and cash transferred into the defendant's account. The alleged corruption took place between 1994 - 1997, while Ismail was the Minister of Development as well as the Istana Project Supervisor. It alleged several of the projects in question were funded by Prince Jefri, who was the then Minister of Finance. According to expert witness from Hong Kong, Roger Thomas Best, the source of funds used to pay for three projects of Mr. Wong's company, Ted Sdn.Bhd, were a Citibank account number '019' in the name of DPD Jefri Bolkiah. The account was controlled by the Brunei Investment Agency (BIA), under the Ministry of Finance.

15. (SBU) The very lengthy trial has been ongoing since 2005 and has seen twenty seven witnesses giving evidence for the prosecution and the production of over 2,000 documentary exhibits. The trial has been put on hold several times due to the continued ill health of the former chief justice who was assigned as the trial judge, and the untimely death of Christopher Fernando, counsel for the former minister, in January 2008. The trial resumed in September with twenty six witnesses giving evidence including prominent Chinese businessman Pehin Dato Paduka Goh King Chin who is a member of Legislative Council and Dato Paduka Rashid Rahman, former Director of Roads and who is now the Permanent Secretary at the Ministry of Development. On September 30 2009, a warrant of arrest was issued for Wong, who apparently absconded. The trial against Wong will continue in abstention.

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INCREASING WORKLOAD

6. (SBU) As of May 2009, ACB has opened 70 investigation out of which 57 were completed and 48 sent to the Attorney General Chambers (AGC) for prosecution. This is in comparison to 59 investigations opened, 41 completed and 17 were sent to AGC for prosecution in 2008. This reflects the growing confidence of the ACB and well as the public in reporting possible corruption, especially within the public sector, through the ACB's website, hotlines, and even social media sites, like Facebook.

HIGH MARKS BUT MORE PROGRESS POSSIBLE

17. (SBU) Since its inception in 1982, ACB's main focus was to ensure a corruption free Bruneian government. The Director of Anti-Corruption Bureau reports directly to the Sultan. In June 2009, Brunei ranked second among ASEAN nations, on the Global Corruption Barometer scoring 2.2 (with 5 signifies extremely corrupt) and ranked third in terms of effectiveness in government action against corruption. However Brunei's private sector is perceived to be the most affected by corruption. ACB slowly is beginning to shift their focus to private sector corruption because of the private sector critical role in the diversification of Brunei's economy. The ACB plans to extend their jurisdiction to those private sector firms with significant ties to the GoB.

COMMENT

8) (SBU) To further boost public confidence in the public sector, the ACB is considering moving forward with implementation of the Asset Declaration initiative as recommended by the United Nations Convention against Corruption (UNCAC). The UNCAC requires public servants to declare their assets in order to improve transparency. The ACB also is increasing their public education anti-graft campaigns with a focus on Brunei's schools. The coverage of the trials in the media as well as the increasing prosecution of cases is a good sign that the ACB is becoming a more respected institution. Support from the highest reaches of the Brunei government will be critical to ensuring the ACB is able to fully and successful implement its ongoing anti-corruption efforts. As noted, Brunei enjoy high marks in regards to anti corruption efforts and a relative limited amount of corruption with the GoB. However, the

lengthy trial periods for corruption cases can undermine the overall confidence in Brunei's anti-corruption programs.

TODD